



GENERAL PROVISIONS AND FAR FLOWDOWN PROVISIONS FOR INTERNATIONAL SUBCONTRACTS/PURCHASE ORDERS (ALL AGENCIES) FOR NON-COMMERCIAL ITEMS UNDER A UNITED STATES GOVERNMENT PRIME CONTRACT

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SECTION I: GENERAL PROVISIONS

- 1. ACCEPTANCE OF CONTRACT/TERMS AND CONDITIONS
(a) This Contract integrates, merges, and supersedes any prior offers, negotiations, and agreements concerning the subject matter hereof and constitutes the entire agreement between the parties.
(b) SELLER's acknowledgment, acceptance of payment, or commencement of performance, shall constitute SELLER's unqualified acceptance of this Contract.
(c) ADDITIONAL OR DIFFERING TERMS OR CONDITIONS PROPOSED BY SELLER OR INCLUDED IN SELLER'S ACKNOWLEDGMENT HEREOF ARE HEREBY OBJECTED TO BY SRC/SRCTec AND HAVE NO EFFECT UNLESS EXPRESSLY ACCEPTED IN WRITING BY SRC/SRCTec
2. APPLICABLE LAWS
(a) This Contract and all matters arising from or related to it shall be governed by and construed in accordance with the law of the State within the United States from which the Contract was issued, excluding its choice of law rules, except that any provision in this Contract that is (i) incorporated in full text or by reference from the Federal Acquisition Regulations (FAR); or (ii) incorporated in full text or by reference from any agency regulation that implements or supplements the FAR; or (iii) that is substantially based on any such agency regulation or FAR provision, shall be construed and interpreted according to the federal common law of United States Government contracts as enunciated and applied by federal judicial bodies, boards of contracts appeals, and quasi-judicial agencies of the United States Government. The provisions

- of the "United Nations Convention on Contracts for the International Sales of Goods" shall not apply to this Contract.
(b) (1) SELLER shall comply with all applicable laws, orders, rules, regulations, and ordinances of the United States and the country where SELLER will be performing this Contract. SELLER shall procure all licenses, permits, pay all fees and other required charges necessary to conduct its business, all at SELLER's expense.
(2) If: (i) SRC/SRCTec's contract price or fee is reduced; (ii) SRC/SRCTec's costs are determined to be unallowable; (iii) any fines, penalties or interest are assessed on SRC/SRCTec; or (iv) SRC/SRCTec incurs any other costs or damages; as a result of any violation of applicable laws, orders, rules, regulations, or ordinances by SELLER, its directors, officers, employees, agents, suppliers, or subcontractors at any tier, SRC/SRCTec may proceed as provided for in subparagraph 2(b)(4) below.
(3) Where submission of cost or pricing data is required or requested at any time prior to or during performance of this Contract, if SELLER or its lower-tier subcontractors: (i) submit and/or certify cost or pricing data that are defective; (ii) with notice of applicable cutoff dates and upon SRC/SRCTec's request to provide cost or pricing data, submit cost or pricing data, whether certified or not certified at the time of submission, as a prospective subcontractor, and any such data are defective as of the applicable cutoff date on SRC/SRCTec's Certificate of Current Cost or Pricing Data; (iii) claim an exception to a requirement to submit cost or pricing data and such exception is invalid; or (iv) furnish data of any description that is inaccurate; or (v) if the United States Government alleges any of the foregoing, and, as a result, (1) SRC/SRCTec's contract price or fee is reduced; (2) SRC/SRCTec's costs are determined to

be unallowable; (3) any fines, penalties or interest are assessed on SRC/SRCTec; or (4) SRC/SRCTec incurs any other costs or damages; SRC/SRCTec may proceed as provided for in subparagraph 2(b)(4) below.

(4) Upon the occurrence of any of the circumstances identified in subparagraphs 2(b)(2) and 2(b)(3) above, SRC/SRCTec may make a reduction of corresponding amounts (in whole or in part) in the price, or in the costs and fee, of this Contract or any other contract with SELLER, and/or may demand payment (in whole or in part) of the corresponding amounts. SELLER shall promptly pay amounts so demanded.

(c) SELLER represents that each chemical substance constituting or contained in Work sold or otherwise transferred to SRC/SRCTec hereunder is on the list of chemical substances compiled and published by the Administrator of the United States Environmental Protection Agency pursuant to the United States Toxic Substances Control Act (15 U.S.C. Sec. 2601 et seq.) as amended.

(d) SELLER shall provide to SRC/SRCTec with each delivery any Material Safety Data Sheet (29 C.F.R. 1910.1200) applicable to the Work in conformance with and containing such information as required by the United States Occupational Safety and Health Act of 1970 (29 U.S.C. Sec. 651 et seq.) and regulations promulgated thereunder, or its state approved counterpart.

3. ASSIGNMENT

Any assignment of SELLER's contract rights or delegation of duties shall be void, unless prior written consent is given by SRC/SRCTec

4. CONTRACT DIRECTION

(a) Only the SRC/SRCTec Procurement Representative has authority to make changes in, to amend, or to modify this Contract. Such changes, amendments or modifications must be in writing.

(b) SRC/SRCTec program, operations, engineering, technical, or other personnel may from time to time render assistance, give technical advice, discuss, or exchange information with SELLER's personnel concerning the Work hereunder. Such actions shall not be deemed to be a change under the "Changes" clause of this Contract and shall not be the basis for equitable adjustment. If SELLER believes the foregoing creates an actual or constructive change, SELLER shall notify the SRC/SRCTec Procurement Representative and shall not accept such direction or perform said action unless authorized under paragraph 4(a).

(c) Except as otherwise provided herein, all notices to be furnished by SELLER shall be sent to the SRC/SRCTec Procurement Representative.

5. CUSTOMER COMMUNICATION

SRC/SRCTec shall be solely responsible for all liaison and coordination with the Customer, any higher tier contractor(s), or the United States Government, as it affects the applicable Prime Contract, this Contract, and any related contract. Except as required by law, SELLER shall not communicate with the Customer, any higher tier contractor(s), or the United States Government, with respect to the applicable Prime Contract, this Contract, and/or any related contract without prior approval of the SRC/SRCTec Procurement Representative. SELLER shall promptly notify SRC/SRCTec of any communications initiated by the Customer, any higher tier contractor(s), or the United States Government, that affects the applicable Prime Contract, this Contract, and/or any related contract.

6. DEFINITIONS

The following terms shall have the meanings set forth below:

(a) "SRC/SRCTec" means the SRC/SRCTec legal entity as identified on the face of this Contract.

(b) "SRC/SRCTec Procurement Representative" means the person authorized by SRC/SRCTec's cognizant procurement organization to administer and/or execute this Contract.

(c) "Contract" means the instrument of contracting, such as "PO", "Purchase Order", or other such type designation, including all referenced documents, exhibits and attachments. If these terms and conditions are incorporated into a "master" agreement that provides for releases, (in the form of a purchase order or other such document) the term "Contract" shall also mean the release document for the Work to be performed.

(d) "Customer" means the entity with whom SRC/SRCTec has or anticipates having a contractual relationship to provide services or goods that utilize or incorporate the Work. For purposes of paragraphs 13 (FURNISHED PROPERTY) and 16 (INDEPENDENT CONTRACTOR RELATIONSHIP) "Customer" shall include any higher tier contractor(s) and the United States Government.

(e) "Electronic Signature" means an electronic sound, symbol, or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record.

(f) "FAR" means the Federal Acquisition Regulations, issued as Chapter 1 of Title 48, Code of Federal Regulations.

(g) "Open Source" means with respect to Software and any licenses of same, that Software provided under a license which permits the user to run, copy, distribute, study, change, modify and/or improve the Software but which prohibits the user from: (a) withholding improvements and/or modifications made by the user to the source code when and/if user thereafter distributes the Software; and/or (b) adding restrictions on use when redistributing or transferring the Software to third parties. For purposes of this Contract, "Open Source" Software shall also include "Free Software" as defined by the Free Software Foundation Inc. By way of example and not limitation, "Open Source" licenses shall include such licenses as the GNU General Public License, the Mozilla Public License 1.1, Apache Software License Version 2.0, the Academic Free License 2.0, and Open Software License 2.0.

(h) "PO" or "Purchase Order" as used in any document constituting a part of this Contract shall mean this "Contract."

(i) "SELLER" means the party identified on the face of this Contract with whom SRC/SRCTec is contracting. For the purposes of paragraphs 5 (CUSTOMER COMMUNICATION) and 16 (INDEPENDENT CONTRACTOR RELATIONSHIP) only, "SELLER" shall also include SELLER's agents, representatives, subcontractors, and suppliers at any tier.

(j) "Software" means: (1) computer programs, source code, source code listings, executable code, machine readable code, object code listings, design details, algorithms, processes, flow charts, formulae, and related material that would enable software to be read, reproduced, recreated, or recompiled; (2) associated documentation such as operating manuals, application manuals, and installation and operating instructions that explain the capabilities of software and provide instructions on using the software; and (3) derivative works, enhancements, modifications, and copies of those items identified in (1) and (2) above.

(k) "Work" means all required articles, materials, supplies, goods and services, including, but not limited to, technical data and Software, constituting the subject matter of this Contract.

7. DISPUTES/JURY WAIVER

- (a) All disputes arising from or related to this Contract which are not disposed of by mutual agreement may be decided by recourse to an action at law or in equity in accordance with subparagraph 7(b) below. Until final resolution of any dispute hereunder, SELLER shall diligently proceed with the performance of this Contract as directed by SRC/SRCTec
- (b) SRC/SRCTec and SELLER agree to timely notify each other of any claim, dispute or cause of action arising from or related to this Contract, and to negotiate in good faith to resolve any such claim, dispute or cause of action. To the extent that such negotiations fail, **SRC/SRCTec AND SELLER AGREE THAT ANY LAWSUIT OR CAUSE OF ACTION THAT ARISES FROM OR IS RELATED TO THIS CONTRACT SHALL BE FILED AND LITIGATED ONLY IN A COURT OF COMPETENT JURISDICTION WITHIN THE STATE FROM WHICH THIS CONTRACT WAS ISSUED; AND SRC/SRCTec AND SELLER EACH HEREBY CONSENT AND AGREE TO THE PERSONAL JURISDICTION AND VENUE OF ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION LOCATED WITHIN THE STATE FROM WHICH THIS CONTRACT WAS ISSUED WITH RESPECT TO ANY SUCH CLAIM, DISPUTE OR CAUSE OF ACTION AND WAIVE ANY DEFENSE OR OBJECTION TO THE EXERCISE OF PERSONAL JURISDICTION AND/OR VENUE BY ANY SUCH COURT.**
- (c) **TO THE EXTENT PERMITTED BY APPLICABLE LAWS, SRC/SRCTec AND SELLER EACH WAIVE ANY RIGHTS WHICH EITHER MAY HAVE TO TRIAL BEFORE A JURY OF ANY DISPUTE ARISING FROM, OR RELATED TO, THIS CONTRACT. SELLER AND SRC/SRCTec FURTHER STIPULATE AND CONSENT THAT ANY SUCH LITIGATION BEFORE A COURT OF COMPETENT JURISDICTION SHALL BE NON-JURY.**

8. ELECTRONIC CONTRACTING

SRC/SRCTec and SELLER agree that if this Contract, or any order, ancillary agreement, or correspondence is transmitted electronically neither SRC/SRCTec nor SELLER shall contest the validity thereof, on the basis that this Contract, or the order, acknowledgement, ancillary agreement, or correspondence exists only in electronic form, an electronic record was used in its creation or formation, or it contains only an Electronic Signature or it was generated automatically, without human intervention by a system intended for the purposes of generating same.

9. EXCUSABLE DELAY

- (a) Subject to subparagraph 9(b), SRC/SRCTec and SELLER shall be excused from, and shall not be liable for, failure of performance due to one or more of the following qualifying events (such list being exclusive):
 - (i) war, warlike operation, insurrection, riot, fire, flood, explosion, strike, governmental act in its sovereign capacity, embargo, act of God, terrorism, epidemic, and quarantine restriction; and if
 - (ii) such event was beyond the control of the party whose performance is affected by the qualifying event and not occasioned by its negligence or default. This Contract will be extended for that period of time attributable to such event.
- (b) The party whose performance is affected by the qualifying event shall submit, within ten (10) calendar days of the start of the qualifying event, a written notice stating a complete and detailed description of such event, the date of commencement, an estimate of the probable period of delay, and explanation indicating how such event was beyond the control of such party and not due to its

negligence or fault and what efforts such party will make to minimize the length of delay. The party whose performance is affected by the qualifying event shall submit, within ten (10) calendar days of the end of the event, a written notice stating the impact to the schedule and evidence justifying the length of the delay. If the delay extends or is expected to extend for thirty (30) days or more, this Contract may be terminated by SRC/SRCTec without additional cost or other liability. Termination for excusable delay shall be governed by this paragraph 9 notwithstanding any other termination provisions of this Contract.

10. EXPORT CONTROL

- (a) **SELLER shall comply with all applicable United States export control laws and regulations, including, but not limited to, the requirements of the Arms Export Control Act, 22 U.S.C. 2751-2799, the International Traffic in Arms Regulation (ITAR), 22 C.F.R. 120 et seq., the Export Administration Act, 50 U.S.C. app. 2401-2420, and the Export Administration Regulations, 15 C.F.R. 730-774. SELLER shall obtain all required export licenses or agreements necessary to perform SELLER's Work, as applicable.**
- (b) Without limiting the foregoing, SELLER shall not transfer any export controlled item, data or services, to include transfer to a person who is not a "U.S. Person" as defined in the ITAR (22 C.F.R. 120.15), without the authority of a United States Government export license, export agreement, or applicable license exemption or exception. Further, a United States Government export license, export agreement, or applicable license exemption or exception shall be obtained by SELLER prior to the transfer of any export controlled item, data or services to any U.S. Person that is employed by any "Foreign person" within the meaning of 22 C.F.R. 120.16.
- (c) SELLER shall notify SRC/SRCTec if any use, sale, import or export by SRC/SRCTec of Work to be delivered under this Contract is restricted by any export control laws or regulations applicable to SELLER.
- (d) SELLER shall immediately notify the SRC/SRCTec Procurement Representative if SELLER is listed in any Denied Parties List or if SELLER's export privileges are otherwise denied, suspended or revoked in whole or in part by any government entity or agency.
- (e) If SELLER is engaged in the business of either exporting or manufacturing (whether exporting or not) defense articles or furnishing defense services, SELLER represents that it maintains an effective export/import compliance program in accordance with the ITAR and it is registered with the United States Office of Defense Trade Controls (unless covered by one of the exemptions set forth in 22 C.F.R. 122.1) as required by the ITAR.
- (f) Where SELLER is a signatory under a SRC/SRCTec export license or export agreement (e.g., TAA, MLA), SELLER shall provide prompt notification to the SRC/SRCTec Procurement Representative in the event of changed circumstances affecting said license or agreement.
- (g) SELLER shall indemnify, hold harmless and, at SRC/SRCTec's election, defend SRC/SRCTec, its directors, officers, employees, and agents from and against all losses, costs, claims, causes of action, damages, liabilities and expense, including, but not limited to, reasonable attorneys' fees, all expense of litigation and/or settlement, and court costs, arising from or related to any act or omission of SELLER, its directors, officers, employees, agents, suppliers, or subcontractors at any tier in the performance of any of its obligations under this paragraph 10. SELLER shall include the requirements of this paragraph 10 in all agreements with lower tier subcontractors.

- (h) Failure of the United States Government or any other government to issue any required export or import license, or withdrawal/termination of a required export or import license by the United States Government or any other government, shall relieve SRC/SRCTec of its obligations under this Contract. Provided SELLER has diligently pursued obtaining such license and, through no fault of SELLER, such license has been denied, withdrawn, or terminated, SELLER shall also be relieved of its obligation under this Contract. In either event, this Contract may be terminated by SRC/SRCTec without additional cost or other liability.
- (i) If the technical data required to perform this Contract is subject to the United States International Traffic in Arms Regulations (ITAR), SELLER shall comply with the following:
 - (1) The technical data shall be used only in performance of Work required by this Contract; and
 - (2) The data shall not be disclosed to any other person, including lower-tier subcontractors within the same country, unless said person is expressly authorized pursuant to an export license or export agreement; and
 - (3) Any rights in the data may not be acquired by SELLER or any other Non-U.S. Person; and
 - (4) SELLER shall return, or at SRC/SRCTec's direction, destroy all of the technical data exported to SELLER pursuant to this Contract upon fulfillment of its terms;
 - (5) Unless otherwise expressly directed by SRC/SRCTec, SELLER shall deliver the Work only to SRC/SRCTec or to an agency of the U.S. Government.

11. EXTRAS

Work shall not be supplied in excess of quantities specified in this Contract. SELLER shall be liable for handling charges and return shipment costs for any excess quantities.

12. FOREIGN CORRUPT PRACTICES PROHIBITION

- (a) **By accepting this Contract, SELLER certifies and represents that it has not made or solicited and will not make or solicit any offer, payment, promise to pay, or authorization to pay any money, gift, or anything of value to any governmental official or any political party, party official or candidate, either directly or through an intermediary, corruptly for the purpose of influencing any official act, omission, or exercise of influence by the recipient, to assist SRC/SRCTec or SELLER in obtaining or retaining business.**
- (b) **SELLER shall ensure that all lower tier subcontracts include this paragraph 12.**

13. FURNISHED PROPERTY

- (a) SRC/SRCTec may provide to SELLER property owned by either SRC/SRCTec or its Customer (Furnished Property). Unless previously authorized in writing by the SRC/SRCTec Procurement Representative, Furnished Property shall be used only for the performance of this Contract.
- (b) Title to Furnished Property shall remain in SRC/SRCTec or its Customer. SELLER shall clearly mark (if not so marked) all Furnished Property to show its ownership.
- (c) The Furnished Property shall be supplied in "as-is" condition unless otherwise expressly agreed in writing. Except for reasonable wear and tear, SELLER shall be responsible for, and shall promptly notify SRC/SRCTec of, any loss or damage to

Furnished Property while in SELLER's care, custody, or control. Without additional charge, SELLER shall manage, maintain, preserve, and insure Furnished Property in accordance with good commercial practice.

- (d) At SRC/SRCTec's request, and/or upon completion of this Contract SELLER shall submit, in an acceptable form, inventory lists of Furnished Property and shall deliver or make such other disposal as may be directed by SRC/SRCTec
- (e) The United States Government Property Clause contained in Section II shall apply in lieu of paragraphs 13(a) through 13(d) above with respect to United States Government-furnished property, or property to which the United States Government may take title under this Contract.

14. GRATUITIES/KICKBACKS PROHIBITION

- (a) No gratuities (in the form of entertainment, gifts or otherwise) or kickbacks shall be offered or given by SELLER, or anyone acting on SELLER's behalf, to any employee of SRC/SRCTec with a view toward securing favorable treatment as a supplier.
- (b) **By accepting this Contract, SELLER certifies and represents that it has not made or solicited and will not make or solicit kickbacks in violation of FAR 52.203-7 or the Anti-Kickback Act of 1986 (41 U.S.C. Sec. 51-58), both of which are incorporated herein by this specific reference, except that paragraph (c)(1) of FAR 52.203-7 shall not apply.**

15. IMPORTER OF RECORD

This paragraph 15 applies if this Contract involves importation of Work into the United States.

- (a) If elsewhere in this Contract SRC/SRCTec is indicated as importer of record, SELLER warrants that all sales hereunder are or will be made at not less than fair value under the United States Anti-Dumping Laws (19 U. S.C. Sec. 1673 et seq.).
- (b) If elsewhere in this Contract SRC/SRCTec is not indicated as importer of record, then SELLER agrees that:
 - (1) SRC/SRCTec will not be a party to the importation of Work, the transaction(s) represented by this Contract will be consummated after importation, and SELLER will neither cause nor permit SRC/SRCTec's name to be shown as "Importer of Record" on any customs declaration; and
 - (2) Upon request and where applicable, SELLER will provide to SRC/SRCTec United States Customs Form 7501 entitled "Customs Entry" properly executed.

16. INDEMNIFICATION FOR DEFECTIVE PRICING

If Buyer is subject to any liability as a result of a failure of the Seller to comply with the requirements of FAR 52.215-12 and 52.215-13, Seller agrees to indemnify and hold harmless Buyer, to the full extent of any amount claimed by the Government, from and against any loss, damage, liability, on expense (including reasonable attorneys' fees) resulting from such failure. Furthermore, Seller agrees that in any action brought hereunder, the Federal Statute of Limitations shall apply.

17. INDEPENDENT CONTRACTOR RELATIONSHIP

- (a) SELLER's relationship to SRC/SRCTec shall be that of an independent contractor and this Contract does not create an agency, partnership, or joint venture relationship between SRC/SRCTec and SELLER or SRC/SRCTec and SELLER personnel. SELLER personnel engaged in performing Work under this Contract shall be deemed employees of SELLER and shall not

for any purposes be considered employees or agents of SRC/SRCTec SELLER assumes full responsibility for the actions and supervision of such personnel while engaged in Work under this Contract. SRC/SRCTec assumes no liability for SELLER personnel.

- (b) Nothing contained in this Contract shall be construed as granting to SELLER or any personnel of SELLER rights under any SRC/SRCTec benefit plan.
- (c) SELLER personnel: (i) will not remove SRC/SRCTec's or its Customer's assets from SRC/SRCTec's or Customer's premises without SRC/SRCTec's authorization; (ii) will use SRC/SRCTec or Customer assets only for purposes of this Contract; (iii) will only connect with, interact with or use SRC/SRCTec's computer networks and equipment, communications resources, programs, tools or routines as SRC/SRCTec agrees, all at SELLER's risk and expense, and then only in compliance with applicable SRC/SRCTec policies; and (iv) will not share or disclose user identifiers, passwords, cipher keys or computer dial port telephone numbers. SRC/SRCTec may monitor any communications made over or data stored in SRC/SRCTec computer networks and equipment or communications resources.
- (d) **SELLER SHALL INDEMNIFY, HOLD HARMLESS AND, AT SRC/SRCTec's ELECTION, DEFEND SRC/SRCTec, ITS DIRECTORS, OFFICERS, EMPLOYEES, AND AGENTS FROM AND AGAINST ALL LOSSES, COSTS, CLAIMS, PENALTIES, CAUSES OF ACTION, DAMAGES, LIABILITIES, FEES, AND EXPENSES, INCLUDING, BUT NOT LIMITED TO, REASONABLE ATTORNEYS' FEES, ALL EXPENSES OF LITIGATION AND/OR SETTLEMENT, AND COURT COSTS, ARISING FROM OR RELATED TO ANY ACT OR OMISSION OF SELLER, ITS DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SUPPLIERS, OR SUBCONTRACTORS AT ANY TIER, IN THE PERFORMANCE OF ANY OF ITS OBLIGATIONS UNDER THIS CONTRACT.**

18. **INFORMATION OF SRC/SRCTec**

Information provided by SRC/SRCTec to SELLER remains the property of SRC/SRCTec SELLER shall comply with all proprietary information markings and restrictive legends applied by SRC/SRCTec to anything provided hereunder to SELLER. SELLER shall not use any SRC/SRCTec provided information for any purpose except to perform this Contract and shall not disclose such information to third parties without the prior written consent of SRC/SRCTec

19. **INFORMATION OF SELLER**

SELLER shall not provide any proprietary information to SRC/SRCTec without prior execution by SRC/SRCTec of a Proprietary Information or Non-Disclosure Agreement that expressly covers the performance of Work under this Contract.

20. **INSURANCE/ENTRY ON SRC/SRCTec OR CUSTOMER PROPERTY**

- (a) In the event that SELLER, its employees, agents, or subcontractors enter the site(s) of SRC/SRCTec or its Customer for any reason in connection with this Contract, then SELLER and its subcontractors shall procure and maintain worker's compensation (with a waiver of subrogation in favor of SRC/SRCTec), automobile liability, comprehensive general liability (bodily injury and property damage) insurance in amounts reasonably acceptable to SRC/SRCTec, and such other insurance as SRC/SRCTec may reasonably require. SELLER shall indemnify, hold harmless and, at SRC/SRCTec's election, defend SRC/SRCTec, its directors, officers, employees, and agents from and against all losses, costs, claims, penalties, causes of

action, damages, liabilities, fees, and expenses, including, but not limited to, reasonable attorneys' fees, all expenses of litigation and/or settlement, and court costs, by reason of property damage or loss or personal injury or death to any person arising from or related to the actions or omissions of SELLER, its directors, officers, employees, agents, suppliers, or subcontractors while on the site(s) of SRC/SRCTec or its Customers. With respect to any injury, including, but not limited to, death, to employees of SELLER or SELLER's agents, subcontractors or suppliers, SELLER's obligation to indemnify and defend in accordance with this section shall apply regardless of cause. SELLER shall provide SRC/SRCTec thirty (30) days advance written notice prior to the effective date of any cancellation or change in the term or coverage of any of SELLER's required insurance, provided however such notice shall not relieve SELLER of its obligations to procure and maintain the required insurance. If requested, SELLER shall send a "Certificate of Insurance" showing SELLER's compliance with these requirements. SELLER shall name SRC/SRCTec as an additional insured for the duration of this Contract. Insurance maintained pursuant to this paragraph 19 shall be considered primary as respects the interest of SRC/SRCTec and is not contributory with any insurance that SRC/SRCTec may carry. "Subcontractor" as used in this subparagraph 19(a) shall include SELLER's subcontractors at any tier.

- (b) SELLER shall ensure that personnel assigned to work on SRC/SRCTec's or Customer's premises comply with any on-premises guidelines. Unless otherwise authorized in writing by SRC/SRCTec, SELLER's personnel assigned to work on SRC/SRCTec's or Customer's premises shall while on SRC/SRCTec's or Customer's premises (i) not bring weapons of any kind; (ii) not manufacture, sell, distribute, possess, use or be under the influence of controlled substances or alcoholic beverages; (iii) not possess hazardous materials of any kind; (iv) remain in authorized areas only; and/or (v) not solicit SRC/SRCTec's employees for employment during business hours.
- (c) All SELLER personnel, property, and vehicles entering or leaving SRC/SRCTec's or Customer's premises are subject to search.
- (d) SELLER shall promptly notify SRC/SRCTec and provide a report of any and all physical altercations, assaults or harassment, and accidents or security incidents involving death, personal injury or loss of or misuse of or damage to SRC/SRCTec's or Customer's property, that occur on SRC/SRCTec's or its Customer's premises.
- (e) SRC/SRCTec may, at its sole discretion, remove or require SELLER to remove any specified employee of SELLER from SRC/SRCTec's or Customer's premises and request that such employee not be reassigned to any SRC/SRCTec premises under this Contract. Any costs arising from or related to removal of SELLER's employee shall be borne solely by SELLER and not charged to this Contract.

21. **INTELLECTUAL PROPERTY**

- (a) SELLER warrants that the Work performed and delivered under this Contract will not infringe or otherwise violate the intellectual property rights of any third party in the United States or any foreign country and is free and clear of all liens, licenses, claims, and encumbrances.
- (b) SELLER shall indemnify, hold harmless and, at SRC/SRCTec's election, defend SRC/SRCTec and its Customer from and against all losses, costs, claims, penalties, causes of action, damages, liabilities, fees, and expenses, including, but not limited to, reasonable attorneys' fees, arising from or related to any action by a third party that is based upon a claim that the Work performed or delivered under this Contract infringes or otherwise violates the intellectual property rights of any person or entity. If an injunction

is obtained against SRC/SRCTec's use of the Work or a portion thereof as a result of infringement or misappropriation of the intellectual property of any third party, SELLER shall either (i) procure for SRC/SRCTec and Customer the right to continue using the Work or (ii) replace or modify the Work so it becomes non-infringing. This indemnity and hold harmless provision shall not be considered an allowable cost under any provisions of this Contract except with regard to allowable insurance costs.

- (c) SELLER grants and agrees that SRC/SRCTec shall have a nonexclusive, worldwide, irrevocable, paid-up, royalty-free license and right, to enable SRC/SRCTec to satisfy its contractual obligations to its Customer, to make, have made, sell, offer for sale, use, execute, reproduce, display, perform, publish, distribute, copy, prepare derivatives or compilations, and authorize others to do any, some or all of the foregoing, with respect to any and all, inventions, discoveries, improvements, technology, designs, works of authorship, mask works, patents, copyrights, technical information, data, databases, Software, business information and other information, conceived, developed, generated or delivered in performance of this Contract. SELLER shall provide all assistance reasonably required and execute all documents necessary to perfect the rights granted to SRC/SRCTec herein.

22. LANGUAGE AND STANDARDS

All reports, correspondence, drawings, notices, marking, documentation, and other communications shall be in the English language. In the event of any inconsistency with any translation into another language, the American standard English language meaning of this Contract shall prevail. Unless otherwise provided in writing, all documentation and Work shall employ the units of United States standard weights and measures as published by the United States National Institute of Standards and Technology.

23. MAINTENANCE OF RECORDS

- (a) SELLER shall maintain complete and accurate records in accordance with generally accepted accounting principles and good commercial practices to substantiate SELLER's charges hereunder. SELLER shall retain such records for three (3) years from final payment of this Contract, unless another period is specified by FAR Part 4.7.
- (b) SRC/SRCTec shall have access to such records, and any other records SELLER is required to maintain under this Contract, for the purpose of audit during normal business hours, upon reasonable notice for so long as such records are required to be retained. Audit rights shall be available to SRC/SRCTec on all performance related reports and other records, except records pertaining to proprietary indirect cost data. Audit of any proprietary indirect cost data may be accomplished through the responsible DCAA representative, or a mutually agreeable third party auditor from an internationally recognized firm of certified public accountants.

24. OFFSET CREDIT/COOPERATION

All offset or countertrade credit value resulting from this Contract, and any lower tier subcontracts, shall accrue solely to the benefit of SRC/SRCTec. SELLER shall cooperate with SRC/SRCTec in the fulfillment of any foreign offset/countertrade obligations.

25. OPEN SOURCE SOFTWARE

Without the prior written approval of SRC/SRCTec, which SRC/SRCTec may withhold in its sole discretion, SELLER shall not incorporate any Open Source Software, including any source code governed by an Open Source license, into Work to be performed and/or delivered under this Contract. Before SRC/SRCTec will provide written approval for the incorporation of such Open Source Software, SELLER shall first identify all Open Source Software incorporated into Work to be performed and/or delivered under this Contract, including a complete

source code listing of the Software comprising the Work with a description of the operation of the Software in English and machine-readable form, together with copies of any licenses required to be accepted.

26. PACKING AND SHIPMENT

- (a) Unless otherwise specified, all Work is to be packed in accordance with good commercial practice designed to protect the integrity of the shipped contents consistent with international shipping practices.
- (b) A complete packing list shall be enclosed with all shipments. SELLER shall mark containers or packages with necessary lifting, loading, and shipping information, including the SRC/SRCTec Contract number, item number, dates of shipment, and the names and addresses of consignor and consignee. Bills of lading shall include this Contract number.
- (c) Unless otherwise specified, delivery shall be Carriage and Insurance Paid (CIP) SRC/SRCTec's facility, in accordance with Incoterms 2000. The minimum insurance shall cover the price provided in this Contract plus ten percent (i.e. 110%) and shall be provided in the currency of this Contract.
- (d) SELLER shall provide to SRC/SRCTec Procurement Representative in writing, five (5) business days advance notification of shipment. Such notification shall include submission of a copy of the packing list required by subparagraph 25(b) and such other information as SRC/SRCTec may reasonably request.

27. PARTS OBSOLESCENCE

SRC/SRCTec may desire to place additional orders for items purchased hereunder. SELLER shall provide SRC/SRCTec with a "Last Time Buy Notice" at least twelve (12) months prior to any action to discontinue any item purchased under this Contract.

28. PAYMENTS, TAXES, AND DUTIES

- (a) Unless otherwise provided, terms of payment shall be net thirty (30) days from the latest of the following: (i) SRC/SRCTec's receipt of the SELLER's proper invoice; (ii) scheduled delivery date of the Work; or (iii) actual delivery of the Work. SRC/SRCTec shall have a right of setoff against payments due or at issue under this Contract or any other contract between SRC/SRCTec and SELLER.
- (b) Each payment made shall be subject to reduction to the extent of amounts which are found by SRC/SRCTec not to have been properly payable and shall also be subject to reduction for overpayments.
- (c) Payment shall be deemed to have been made as of the date of mailing SRC/SRCTec's payment or electronic funds transfer.
- (d) Unless otherwise specified, prices include all applicable federal, state, local and foreign taxes. All duties, taxes, and other official charges as well as the costs of carrying out customs formalities shall be payable in accordance with the Incoterm called out in this Contract. Each of the foregoing shall be listed separately on the invoice.
- (e) The prices stated in this Contract are firm, fixed prices in United States dollars.

29. PRECEDENCE

Any inconsistencies in this Contract shall be resolved in accordance with the following descending order of precedence: (1) face of the Purchase

Order, release document or schedule, (which shall include continuation sheets), as applicable, to include any special provisions; (2) any master-type agreement (such as corporate, operating group, or blanket agreements); (3) representations and certifications; (4) any supplemental terms and conditions incorporated by reference under paragraph 33; (5) these terms and conditions; (6) statement of work; and (7) specifications or drawings.

30. **PRIORITY RATING**

If so identified, this Contract is a "rated order" certified for national defense use, and SELLER shall follow all the requirements of the Defense Priorities and Allocation System (DPAS) Regulation (15 C.F.R. Part 700). Under DPAS regulations, if this Contract supports the United States Government, is DX or DO Rated, and exceeds \$50,000.00, the SELLER must acknowledge acceptance of DX-Rated orders within ten (10) days, and DO-Rated orders within fifteen (15) days of receipt hereof. Commencement of performance of the Work called for by this Contract in the absence of SELLER's written acknowledgement thereof shall be deemed acceptance of this Contract as written.

31. **QUALITY CONTROL SYSTEM**

- (a) SELLER shall provide and maintain a quality control system to an industry recognized Quality Standard and in compliance with any other specific quality requirements identified in this Contract.
- (b) Records of all quality control inspection work by SELLER shall be kept complete and available to SRC/SRCTec and its Customers.

32. **RELEASE OF INFORMATION**

Except as required by law, no public release of any information, or confirmation or denial of same, with respect to this Contract or the subject matter hereof, shall be made by SELLER without the prior written approval of the SRC/SRCTec Procurement Representative.

33. **SEVERABILITY**

Each paragraph and provision of this Contract is severable, and if one or more paragraphs or provisions are declared invalid, the remaining provisions of this Contract will remain in full force and effect.

34. **SUPPLEMENTAL TERMS AND CONDITIONS**

The following supplemental terms and conditions are hereby incorporated by reference, and shall also apply to this Contract: (i) for Contracts issued in support of a Department of Defense Prime Contract SRC/SRCTec's TC3A applies, (ii) for Contracts issued in support of a National Aeronautics and Space Administration Prime Contract SRC/SRCTec's TC3B applies, or (iii) for Contracts issued in support of a Department of Energy Prime Contract SRC/SRCTec's TC3C applies.

35. **SURVIVABILITY**

If this Contract expires, is completed, or is terminated, SELLER shall not be relieved of those obligations contained in the following provisions:

- (a) Applicable Laws
- Disputes/Jury Waiver
- Electronic Contracting
- Export Control
- Furnished Property
- Independent Contractor Relationship
- Information of SRC/SRCTec
- Insurance/Entry on SRC/SRCTec or Customer Property
- Intellectual Property
- Language and Standards
- Maintenance of Records

Parts Obsolescence
Release of Information
Warranty

- (b) Those United States Government flowdown provisions that by their nature should survive.

36. **TIMELY PERFORMANCE**

- (a) SELLER's timely performance is a critical element of this Contract.
- (b) Unless advance shipment has been authorized in writing by SRC/SRCTec, SRC/SRCTec may store at SELLER's expense, or return, shipping charges collect, all Work received in advance of the scheduled delivery date.
- (c) If SELLER becomes aware of difficulty in performing the Work, SELLER shall timely notify SRC/SRCTec, in writing, giving pertinent details. This notification shall not change any delivery schedule.
- (d) In the event of a termination or change, no claim will be allowed for any manufacture or procurement in advance of SELLER's normal flow time unless there has been prior written consent by SRC/SRCTec's Procurement Representative.

37. **WAIVER, APPROVAL AND REMEDIES**

- (a) Failure by SRC/SRCTec to enforce any provision(s) of this Contract shall not be construed as a waiver of the requirement(s) of such provision(s), or as a waiver of the right of SRC/SRCTec thereafter to enforce each and every such provision(s).
- (b) SRC/SRCTec's approval of documents shall not relieve SELLER from complying with any requirements of this Contract.
- (c) The rights and remedies of SRC/SRCTec in this Contract are cumulative and in addition to any other rights and remedies provided by law or in equity.

38. **WARRANTY**

SELLER warrants that all Work furnished pursuant to this Contract shall strictly conform to all specifications, drawings, samples, and descriptions, and other requirements of this Contract and be free from defects in design, material and workmanship. The warranty shall begin upon final acceptance and extend for a period of (i) the manufacturer's warranty period or six (6) months, whichever is longer, if SELLER is not the manufacturer and has not modified the Work or, (ii) one (1) year or the manufacturer's warranty period, whichever is longer, if SELLER is the manufacturer of the Work or has modified it. If any non-conformity with Work appears within that time, SELLER shall promptly repair, replace, or reperform the Work. Transportation of replacement Work and return of non-conforming Work and repeat performance of Work shall be at SELLER's expense. If repair or replacement or reperformance of Work is not timely, SRC/SRCTec may elect to return the nonconforming Work or repair or replace Work or reprocure the Work at SELLER's expense. All warranties shall run to SRC/SRCTec and its Customer(s). **Any implied warranty of merchantability and fitness for a particular purpose is hereby disclaimed.**

SECTION II: FAR FLOWDOWN PROVISIONS

A. **INCORPORATION OF FAR CLAUSES**

The Federal Acquisition Regulation (FAR) clauses referenced below are incorporated herein by reference, with the same force and effect as if they were given in full text, and are applicable, including any notes following the clause citation, during the performance of this Contract. When a FAR clause uses a word or term that is defined in the FAR, the word or term shall have the same meaning as in the definition in FAR 2.101 in effect on the date of this Contract unless (i) a different definition is expressly set forth in this Contract; or (ii) the part, subpart, or section of the FAR where the clause is prescribed provides a different meaning; or (iii) the word or term is defined in FAR Part 31, for use in the cost principles and procedures. If the date or substance of any of the clauses listed below is different than the date or substance of the clause actually incorporated in the Prime Contract referenced by number herein, the date or substance of the clause incorporated by said Prime Contract shall apply instead. The Contracts Disputes Act of 1978, as amended, shall have no application to this Contract. Any reference to "Disputes" clause shall mean paragraph 7 "Disputes/Jury Waiver" in Section I of these terms and conditions.

B. GOVERNMENT SUBCONTRACT

This Contract is entered into by SRC/SRCTec and SELLER in support of a United States Government Contract.

As used in the clauses referenced below and otherwise in this Contract:

1. "Commercial Item" means a commercial item as defined in FAR 2.101.
2. "Contract" means this Contract.
3. "Contractor" means SELLER, as defined in this document, acting as the immediate (first-tier) subcontractor to SRC/SRCTec
4. "Prime Contract" means the contract between SRC/SRCTec and the United States Government or between SRC/SRCTec and its higher-tier contractor in support of a contract with the United States Government.
5. "Subcontract" means any contract placed by Contractor or lower-tier subcontractors under this Contract.

C. NOTES

1. Substitute "SRC/SRCTec" for "Government" or "United States" throughout this clause.
2. Substitute "SRC/SRCTec Procurement Representative" for "Contracting Officer", "Administrative Contracting Officer", and "ACO" throughout this clause.
3. Insert "and SRC/SRCTec" after "Government" or "Contracting Officer", as appropriate, throughout this clause.
4. Insert "or SRC/SRCTec" after "Government" throughout this clause.
5. Communication/notification required under this clause from/to SELLER to/from the Contracting Officer shall be through the SRC/SRCTec Procurement Representative.
6. "Contracting Officer" shall mean the United States Government Contracting Officer for SRC/SRCTec's Government Prime Contract under which this Contract is entered.

D. AMENDMENTS REQUIRED BY PRIME CONTRACT

SELLER shall, at the request of SRC/SRCTec, accept amendments to this Contract to incorporate additional provisions herein or to change provisions hereof, as SRC/SRCTec may reasonably deem necessary in order to comply with the provisions of the applicable Prime Contract or with the provisions of amendments to such Prime Contract. If any such amendment to this Contract causes an increase or decrease in the estimated cost of, or

the time required for, performance of any part of the Work under this Contract, an equitable adjustment shall be made pursuant to the "Changes" clause of this Contract.

E. PRESERVATION OF THE GOVERNMENT'S RIGHTS

If SRC/SRCTec furnishes designs, drawings, special tooling, equipment, engineering data or other technical or proprietary information (Furnished Items) to which the U. S. Government owns or has the right to authorize the use of, nothing herein shall be construed to mean that SRC/SRCTec, acting on its own behalf, may modify or limit any rights the Government may have to authorize the Contractor's use of such Furnished Items in support of other U. S. Government prime contracts.

F. FAR FLOWDOWN CLAUSES.

REFERENCE TITLE

1. The following FAR clauses apply to this Contract:

- (a) 52.211-5 MATERIAL REQUIREMENTS (AUG 2000) (Note 2 applies.)
- (b) 52.215-20 REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA (OCT 1997) (Note 2 applies.)
- (c) 52.215-21 REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA – MODIFICATIONS (OCT 1997) (Note 2 applies.)
- (d) 52.225-13 RESTRICTIONS ON CERTAIN FOREIGN PURCHASES (FEB 2006) (Note 5 applies.)
- (e) 52.227-14 RIGHTS IN DATA – GENERAL (DEC 2007)
- (f) 52.234-1 INDUSTRIAL RESOURCES DEVELOPED UNDER DEFENSE PRODUCTION ACT TITLE III (DEC 1994) (Note 2 applies.)
- (g) 52.242-13 BANKRUPTCY (JUL 1995) (Note 2 applies.)
- (h) 52.242-15 STOP-WORK ORDER (AUG 1989) (In paragraph (a) "90 days" is changed to "100 days", in paragraph (b) "30 days" is changed to "20 days".) (Notes 1 and 2 apply.)
- (i) 52.243-1 CHANGES – FIXED PRICE (AUG 1987) (Replace paragraph (a) with the following: The SRC/SRCTec Procurement Representative may at any time, by written order, and without notice to sureties, if any, direct changes within the general scope of this Contract in any one or more of the following: (i) technical requirements and descriptions, specifications, statement of work ("SOW"), drawings or designs; (ii) shipment or packing methods; (iii) place of delivery, inspection or acceptance; (iv) reasonable adjustments in quantities or delivery schedules or both; (v) amount of SRC/SRCTec furnished property; and (vi) if this Contract includes services: (x) description of services to be performed; (y) time of performance (e.g., hours of the day, days of the week, etc.); and (z) place of performance. SELLER shall comply immediately with such direction.) (Notes 1 and 2 apply.)
- (j) 52.244-6 SUBCONTRACTS FOR COMMERCIAL ITEMS (MAR 2007)

- (k) 52.246-2 INSPECTION OF SUPPLIES – FIXED PRICE (AUG 1996) (Note 2 applies. Note 3 applies, except in paragraphs (f), (j) and (l) where Note 1 applies.)
- (l) 52.246-4 INSPECTION OF SERVICES – FIXED PRICE (AUG 1996) (Note 2 applies. Note 3 applies, except in paragraphs (e) and (f) where Note 1 applies.)
- (m) 52.247-64 PREFERENCE FOR PRIVATELY OWNED U. S. – FLAG COMMERCIAL VESSELS (FEB 2006) (Note 2 applies.)
- (n) 52.249-2 TERMINATION FOR CONVENIENCE OF THE GOVERNMENT (FIXED-PRICE) (MAY 2004) (Notes 1 and 2 apply, except in paragraph (n) where “Government” means “SRC/SRCTec and the Government” and Contracting Officer” means “SRC/SRCTec or the Contracting Officer.” In paragraph (c) “120 days” is changed to “60 days.” In paragraph (d) “15 days” is changed to “30 days,” and “45 days” is changed to “60 days.” In paragraph (e) “1 year” is changed to “6 months.” In paragraph (l) “90 days” is changed to “45 days.” Settlements and payments under this clause may be subject to the approval of the Contracting Officer.)
- (o) 52.249-8 DEFAULT (FIXED PRICE SUPPLY AND SERVICE) (APR 1984) (Timely performance is a critical element of this Contract. Notes 1 and 2 apply.)

2. The following FAR clauses apply to this Contract if the value of this Contract equals or exceeds \$100,000:

- (a) 52.203-6 RESTRICTIONS ON SUBCONTRACTOR SALES TO THE GOVERNMENT (SEP 2006)
- (b) 52.203-12 LIMITATION ON PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS (SEP 2007) (Note 5 applies.)
- (c) 52.215-2 AUDIT AND RECORDS - NEGOTIATION (JUN 1999) (Applicable if (1) Contractor was required to furnish cost or pricing data, or (2) this Contract requires Contractor to furnish cost, funding or performance reports. Note 3 applies.)
- (d) 52.215-14 INTEGRITY OF UNIT PRICES (OCT 1997) (Delete paragraph (b) of the clause.)
- (e) 52.227-1 AUTHORIZATION AND CONSENT (DEC 2007) (Applicable only if the Prime Contract contains this clause.)
- (f) 52.227-2 NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENT (DEC 2007) (Notes 2 and 4 apply.)
- (g) 52.248-1 VALUE ENGINEERING (FEB 2000) (Note 1 applies, except in subparagraphs (c)(5) and (m) where Note 3 applies.)

3. The following FAR clauses apply to this Contract if the value of this Contract equals or exceeds \$650,000:

- (a) 52.215-12 SUBCONTRACTOR COST OR PRICING DATA (OCT 1997) (Applicable if not otherwise exempt under FAR 15.403.)

- (b) 52.215-13 SUBCONTRACTOR COST OR PRICING DATA - MODIFICATIONS (OCT 1997) (Applicable for modifications if not otherwise exempt under FAR 15.403.)

4. The following clauses apply as indicated:

- (a) 52.203-13 CONTRACTOR CODE OF BUSINESS ETHICS AND CONDUCT (DEC 2008) (Applicable to contracts with a value in excess of \$5,000,000 and a performance period of more than 120 days.)
- (b) 52.203-14 DISPLAY OF HOTLINE POSTER(S) (DEC 2007) (Applicable to contracts with a value in excess of \$5,000,000 except when the contract (1) Is for the acquisition of a commercial item; or (2) Is performed entirely outside the United States.)
- (c) 52.204-2 SECURITY REQUIREMENTS (AUG 1996) (Applicable if the Work requires access to classified information.)
- (d) 52.208-8 REQUIRED SOURCES FOR HELIUM AND HELIUM USAGE DATA (APR 2002) (Applicable to Contracts involving a “major helium requirement.” Note 2 applies.)
- (e) 52.214-26 AUDIT AND RECORDS- SEALED BIDDING (OCT 1997) (Applicable if Contract is awarded based upon Sealed Bidding and expected to exceed the threshold of FAR 15.403-4(a)(1) for submission of cost or pricing data. Note 2 applies.)
- (f) 52.214-27 PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA – MODIFICATIONS – SEALED BIDDING (OCT 1997) (Applicable if Contract is awarded based upon Sealed Bidding and expected to exceed the threshold of FAR 15.403-4(a)(1) for submission of cost or pricing data. Notes 1 and 2 apply except for subparagraph (d)(2)(ii)(B) to which note 4 applies.)
- (g) 52.214-28 SUBCONTRACTOR COST OR PRICING DATA – MODIFICATIONS – SEALED BIDDING (OCT 1997) (Applicable if Contract is awarded based upon Sealed Bidding and expected to exceed the threshold of FAR 15.403-4(a)(1) for submission of cost or pricing data.)
- (h) 52.215-10 PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA (OCT 1997) (Applicable if submission of cost or pricing data is required. Rights and obligations under this clause shall survive completion of the Work and final payment under this Contract. Notes 2 and 4 apply.)
- (i) 52.215-11 PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA – MODIFICATIONS (OCT 1997) (Applicable if submission of cost or pricing data is required. Rights and obligations under this clause shall survive completion of the Work and final payment under this Contract. Notes 2 and 4 apply.)
- (j) 52.215-15 PENSION ADJUSTMENTS AND ASSET REVERSIONS (OCT 2004) (Applicable if this Contract meets the applicability requirements of FAR 15.408(g). Note 5 applies.)

- (k) 52.215-16 FACILITIES CAPITAL COST OF MONEY (JUN 2003) (Applicable only if this Contract is subject to the Cost Principles of FAR Subpart 31.2 and the Contractor proposed facilities capital cost of money in its offer.)
- (l) 52.215-17 WAIVER OF FACILITIES CAPITAL COST OF MONEY (OCT 1997) (Applicable only if this Contract is subject to the Cost Principles of FAR Subpart 31.2 and the Contractor did not propose facilities capital cost of money in its offer.)
- (m) 52.215-18 REVERSION OR ADJUSTMENT OF PLANS FOR POST-RETIREMENT BENEFITS (PRB) OTHER THAN PENSIONS (JUL 2005) (Applicable if this Contract meets the applicability requirements of FAR 15.408(j). Note 5 applies.)
- (n) 52.215-19 NOTIFICATION OF OWNERSHIP CHANGES (OCT 1997) (Applicable if this Contract meets the applicability requirements of FAR 15.408(k). In paragraph (a)(1) and (a)(2) "30 days" is changed to "25 days". Note 2 applies.)
- (o) 52.216-5 PRICE REDETERMINATION - PROSPECTIVE (OCT 1997) (Applicable if the requirements of FAR 16.205-2 and FAR 16.205-3(a) through (d) have been met and this clause is expressly incorporated in this Contract. In subparagraph (j) change "the Contracting Officer shall promptly issue a decision in accordance with the Disputes clause" to "SRC/SRCTec shall promptly issue a decision, which decision may be appealed by SELLER pursuant to the disputes/jury waiver clause of this Contract." Notes 1 and 2 apply.)
- (p) 52.216-6 PRICE REDETERMINATION-RETROACTIVE (OCT 1997) (Applicable if the requirements of FAR 16.206-2 and FAR 16.206-3(a) through (d) have been met and this clause is expressly incorporated in this Contract. In subparagraph (i) change "the Contracting Officer shall promptly issue a decision in accordance with the Disputes clause" to "SRC/SRCTec shall promptly issue a decision, which decision may be appealed by SELLER pursuant to the disputes/jury waiver clause of this Contract." Notes 1 and 2 apply.)
- (q) 52.216-16 INCENTIVE PRICE REVISION-FIRM TARGET (OCT 1997) ALTERNATE I (APR 1984) (Applicable if a Fixed-Price Incentive (Firm Target) Contract is contemplated and this clause is expressly incorporated in this Contract. In subparagraph (i) change "the Contracting Officer shall promptly issue a decision in accordance with the Disputes clause" to "SRC/SRCTec shall promptly issue a decision, which decision may be appealed by SELLER pursuant to the disputes/jury waiver clause of this Contract." Notes 1 and 2 apply.)
- (r) 52.216-17 INCENTIVE PRICE REVISION – SUCCESSIVE TARGETS (OCT 1997) (Applicable if a Fixed-Price Incentive (Successive Target) Contract is contemplated and this clause is expressly incorporated in this Contract. In subparagraph (k) change "the Contracting Officer shall promptly issue a decision in accordance with the Disputes clause" to "SRC/SRCTec shall promptly issue a decision, which decision may be appealed by SELLER pursuant to the disputes/jury waiver clause of this Contract." Notes 1 and 2 apply.)
- (s) 52.223-3 HAZARDOUS MATERIAL IDENTIFICATION AND MATERIAL SAFETY DATA (JAN 1997) (Applicable if this Contract involves hazardous material. Notes 2 and 3 apply.)
- (t) 52.223-7 NOTICE OF RADIOACTIVE MATERIALS (JAN 1997) (Applicable to Work containing covered radioactive material. In the blank insert "30". Notes 1 and 2 apply.)
- (u) 52.224-2 PRIVACY ACT (APR 1984) (Applicable if the Work involves the design, development, or operation of a system of records on individuals to accomplish an agency function.)
- (v) 52.225-1 BUY AMERICAN ACT–SUPPLIES (JUNE 2003) (Applicable if this Contract requires furnishing of Work containing other than domestic components.)
- (w) 52.225-5 TRADE AGREEMENTS (NOV 2007) (Applicable if the Work contains other than domestic components.)
- (x) 52.225-8 DUTY FREE ENTRY (FEB 2000) (Applicable if supplies will be imported into the Customs Territory of the United States. In paragraph (b)(1), the notice provisions shall be 20 days. Notes 3 and 5 apply.)
- (y) 52.227-9 REFUND OF ROYALTIES (APR 1984) (Applicable when reported royalty exceeds \$250. Notes 1 and 2 apply.)
- (z) 52.227-10 FILING OF PATENT APPLICATIONS-CLASSIFIED SUBJECT MATTER (DEC 2007) (Applicable if the Work or any patent application may cover classified subject matter.)
- (aa) 52.227-11 PATENT RIGHTS-OWNERSHIP BY THE CONTRACTOR (SHORT FORM) (DEC 2007) (Applicable if this Contract is for experimental, developmental, or research Work and Contractor is a small business concern or domestic non-profit organization and made applicable by FAR 27.303 (a)(1) or SRC/SRCTec's Prime Contract. Refer also to DFAR 252.227-7034. Reports required by this clause shall be filed with the agency identified in this Contract. If no agency is identified, contact the SRC/SRCTec Procurement Representative identified on the face of this Contract.)
- (bb) 52.227-13 PATENT RIGHTS-ACQUISITION BY THE GOVERNMENT (JAN 1997) (Applicable if this Contract is for experimental, developmental, or research Work and made applicable by FAR 27.303 (c)(1) or SRC/SRCTec's Prime Contract. Reports required by this clause shall be filed with the agency identified in this Contract. If no agency is identified, contact the SRC/SRCTec Procurement Representative identified on the face of this Contract.)
- (cc) 52.228-3 WORKERS' COMPENSATION INSURANCE (DEFENSE BASE ACT) (APR 1984) (Applicable to public works contracts performed outside the U.S. or contracts approved or financed under the Foreign Assistance Act of 1961, unless an exception applies. The Contractor shall insert, in all subcontracts under this Contract to which the Defense Base Act applies, a clause similar to this clause (including this sentence) imposing upon those subcontractors this requirement to comply with the Defense Base Act.)

- Contractor's property control system." Note 2 applies.)
- (dd) 52.228-4 WORKERS' COMPENSATION AND WAR-HAZARD INSURANCE OVERSEAS (APR 1984) Applicable to public works contracts performed outside the U.S. and the Secretary of Labor waives the applicability of the Defense Base Act. The Contractor shall insert, in all subcontracts under this Contract (i) to which the Defense Base Act would apply but for the waiver and (ii) to which the War Hazards Compensation Act would apply unless the Contactor elects to assume directly the liability to subcontractor employees, a clause similar to this clause (including this sentence) imposing upon those subcontractors this requirement to provide workers' compensation insurance coverage and/or war-hazard benefits.)
- (ee) 52.228-5 INSURANCE-WORK ON A GOVERNMENT INSTALLATION (JAN 1997) (Applicable if Work is performed on a Government installation. Note 2 applies.)
- (ff) 52.229-6 TAXES – FOREIGN FIXED PRICE CONTRACTS (JUN 2003) (Applicable if this Contract is to be performed wholly or partly in a foreign country, unless Contractor is a foreign government.) (Note 6 applies.)
- (gg) 52.229-7 TAXES – FIXED PRICE CONTRACTS WITH FOREIGN GOVERNMENTS (JAN 1991) (Applicable if Contractor is a foreign government.)
- (hh) 52.233-3 PROTEST AFTER AWARD (AUG 1996) (In the event SRC/SRCTec's Customer has directed SRC/SRCTec to stop performance of the Work under the Prime Contract under which this Contract is issued pursuant to FAR 33.1, SRC/SRCTec may, by written order to Contractor, direct Contractor to stop performance of the Work called for by this Contract. "30 days" means "20 days" in paragraph (b)(2). Note 1 applies, except the first time it appears in paragraph (f). In paragraph (f) add after "33.104(h)(1)" "and recovers those costs from SRC/SRCTec" Note 2 applies.)
- (ii) 52.237-2 PROTECTION OF GOVERNMENT BUILDINGS, EQUIPMENT AND VEGETATION (APR 1984) (Applicable if Work is performed on a Government installation. Note 2 applies.)
- (jj) 52.239-1 PRIVACY OR SECURITY SAFEGUARDS (AUG 1996) (Applicable if Work involves information technology which require security of information technology, and/or are for the design, development or operation of a system or records using commercial information technology services or support services.)
- (kk) 52.243-6 CHANGE ORDER ACCOUNTING (APR 1984) (Applicable only if Prime Contract requires Change Order Accounting. Note 2 applies.)
- (ll) 52.245-2 GOVERNMENT PROPERTY INSTALLATION OPERATION SERVICES (JUN 2007) (Applicable if Government property is furnished in the performance of this Contract. Note 1 applies except in the phrases "Government property," "Government-furnished property," and in references to title to property. The following is added as paragraph (m): "Contractor shall provide to SRC/SRCTec immediate notice of any disapproval, withdrawal of approval, or nonacceptance by the Government of
- (mm) 52.247-63 PREFERENCE FOR U.S.- FLAG AIR CARRIERS (JUN 2003) (Applicable if this Contract involves international air transportation.)
- 5. The following FAR clauses apply to this Contract, if Work under this Contract will performed in the United States or Contractor is recruiting employees in the United States to work on this Contract.**
- (i) **The following FAR clauses apply to this Contract:**
- (a) 52.219-8 UTILIZATION OF SMALL BUSINESS CONCERNS (MAY 2004) (If this Contract, except contracts to small business concerns, exceeds \$100,000 the Contractor must include this clause in all lower tier subcontracts that offer subcontracting opportunities.)
- (b) 52.222-21 PROHIBITION OF SEGREGATED FACILITIES (FEB 1999)
- (c) 52.222-26 EQUAL OPPORTUNITY (MAR 2007) (Only subparagraphs (b)(1)-(11) applies.)
- (d) 52.222-41 SERVICE CONTRACT ACT OF 1965 (NOV 2007) (Applicable if this Contract is for services covered by the Service Contract Act of 1965. Note 2 applies.)
- (e) 52.229-10 STATE OF NEW MEXICO GROSS RECEIPTS AND COMPENSATING TAX (APR 2003) (Applicable to Contracts issued by agencies cited in FAR 29.401-4(c) and which involve the purchase of tangible personal property to be used in performing services in whole or in part in New Mexico.)
- (f) 52.223-11 OZONE-DEPLETING SUBSTANCES (MAY 2001) (Applicable if the Work was manufactured with or contains ozone-depleting substances.)
- (ii) **The following FAR Clauses apply to this Contract if the value of this Contract equals or exceeds \$10,000:**
- (a) 52.222-36 AFFIRMATIVE ACTION FOR WORKERS WITH DISABILITIES (JUNE 1998)
- (iii) **The following FAR Clauses apply to this Contract if the value of this Contract equals or exceeds \$25,000:**
- (a) 52.222-35 EQUAL OPPORTUNITY FOR SPECIAL DISABLED VETERANS, VETERANS OF THE VIETNAM ERA, AND OTHER ELIGIBLE VETERANS (SEP 2006)
- (b) 52.222-37 EMPLOYMENT REPORTS ON SPECIAL DISABLED VETERANS, VETERANS OF THE VIETNAM ERA, AND OTHER ELIGIBLE VETERANS (SEP 2006)
- (iv) **The following FAR Clauses apply to this Contract if the value of this Contract equals or exceeds \$100,000:**
- (a) 52.222-4 CONTRACT WORK HOURS AND SAFETY STANDARDS ACT - OVERTIME COMPENSATION

(JUL 2005)

- (b) 52.223-14 TOXIC CHEMICAL RELEASE REPORTING (AUG 2003) (Note 2 applies. Delete subparagraph (e).)
- (c) 52.222-39 NOTIFICATION OF EMPLOYEE RIGHTS CONCERNING PAYMENT OF UNION DUES OR FEES (DEC 2004)(Applicable if Contract exceeds \$100,000.)

(v) **The following FAR Clauses apply to this Contract if the value of this Contract equals or exceeds \$500,000:**

- (a) 52.230-2 COST ACCOUNTING STANDARDS (APR 1998) (When referenced in this Contract, full CAS Coverage applies. In subparagraph (a)(4)(ii) and (a)(5), Note 1 applies. Delete paragraph (b) of the clause.)
- (b) 52.230-3 DISCLOSURE AND CONSISTENCY OF COST ACCOUNTING PRACTICES (APR 1998) (When referenced in this Contract, modified CAS Coverage applies. In subparagraphs (a)(3)(ii) and (a)(4) Note 1 applies. Delete paragraph (b) of the clause.)
- (c) 52.230-5 COST ACCOUNTING STANDARDS- EDUCATIONAL INSTITUTION (APR 1998) (When referenced in this Contract, full CAS Coverage applies. In subparagraph (a)(4)(ii) and (a)(5), Note 1 applies. Delete paragraph (b) of the clause.)
- (d) 52.230-6 ADMINISTRATION OF COST ACCOUNTING STANDARDS (APR 2005) (Applicable if FAR 52.230-2 or FAR 52.230-3 applies.)

(vi) **The following FAR Clauses apply to this Contract if the value of this Contract equals or exceeds \$550,000:**

- (a) 52.219-9 SMALL BUSINESS SUBCONTRACTING PLAN (SEP 2006) (Applicable if the Contractor is not a small business. The Contractor's subcontracting plan is incorporated herein by reference. Note 2 is applicable to subparagraph (c) only.)
- (b) 52.219-16 LIQUIDATED DAMAGES – SUBCONTRACTING PLAN (JAN 1999) (Note 2 applies. Delete subparagraphs (d) and (e). Note 3 applies to subparagraph (f) only.)

G. CERTIFICATIONS AND REPRESENTATIONS

- (1) **This Subsection II (G) contains certifications and representations that are material representations of fact upon which SRC/SRCTec will rely in making awards to Contractor. By submitting its written offer, or providing oral offers/quotations at the request of SRC/SRCTec, or accepting any Contract, Contractor certifies to the representations and certifications as set forth below in this Subsection II(G). These certifications and representations shall apply whenever these terms and conditions are incorporated by reference in any Contract, agreement, other contractual document or any quotation, request for quotation (oral or written), request for proposal or solicitation (oral or written), issued by SRC/SRCTec Contractor shall immediately notify SRC/SRCTec of any change of status with regard to these certifications and representations.**

- (2) The following clauses of the Federal Acquisition Regulation (FAR) are incorporated herein by reference, with the same force and effect as if they were given in full text, and are applicable to this Contract. In each clause incorporated below, substitute “SRC/SRCTec” for “Government” and “Contracting Agency”, and “SRC/SRCTec Procurement Representative” for “Contracting Officer” throughout.

(a) **FAR 52.203-11 Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions** (Applicable to solicitations and contracts exceeding \$100,000)

- (1) The definitions and prohibitions contained in the clause, at FAR 52.203-12, Limitation on Payments to Influence Certain Federal Transactions are hereby incorporated by reference in this subparagraph G(2)(b).
- (2) Contractor certifies that to the best of its knowledge and belief that on and after December 23, 1989--
 - (x) No Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on his or her behalf in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan, or cooperative agreement;
 - (y) If any funds other than Federal appropriated funds (including profit or fee received under a covered Federal transaction) have been paid, or will be paid, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on his or her behalf in connection with a solicitation or order, the Contractor shall complete and submit, with its offer, OMB standard form LLL, Disclosure of Lobbying Activities, in accordance with its instructions, and;
 - (z) Contractor shall include the language of this certification in all subcontracts at any tier and require that all recipients of subcontract awards in excess of \$100,000 shall certify and disclose accordingly.

- (3) Submission of this certification and disclosure is a prerequisite for making or entering into a contract as imposed by Section 1352, Title 31, United States Code. Any person who makes an expenditure prohibited under this provision or who fails to file or amend the disclosure form to be filed or amended by this provision, shall be subject to a civil penalty of not less than \$10,000, and not more than \$100,000, for each such failure.

(b) **FAR 52.209-5 Certification Regarding Debarment, Suspension, Proposed Debarment, and Other Responsibility Matters.**

- (1) Contractor certifies that, to the best of its knowledge and belief, that Contractor and/or any of its Principals (as defined in FAR 52.209-5) are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency.

- (2) Contractor shall provide immediate written notice to SRC/SRCTec if, any time prior to award of any Contract, it learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
- (3) The following FAR clauses apply to this Contract, if Work under the Contract will be performed in the United State or Contractor is recruiting employees in the United States to work on this Contract.
- (a) **FAR 52.222-22 Previous Contracts and Compliance Reports.** Contractor represents that if Contractor has participated in a previous contract or subcontract subject to Equal Opportunity clause (FAR 52.222-26) (i) Contractor has filed all required compliance reports and (ii) that representations indicating submission of required compliance reports, signed by proposed subcontractors, will be obtained before subcontract awards.
- (b) **FAR 52.222-25 Affirmative Action Compliance.** Contractor represents (1) that Contractor has developed and has on file at each establishment, affirmative action programs required by the rules and regulations of the Secretary of Labor (41 C.F.R. 60-1 and 60-2), or (2) that in the event such a program does not presently exist, Contractor will develop and place in operation such a written Affirmative Action Compliance Program within 120 days from the award of this Contract.
- (c) **FAR 52.223-13 Certification of Toxic Chemical Release Reporting** (Applicable to competitive solicitations/contracts which exceed \$100,000.)
- (1) Submission of this certification is a prerequisite for making or entering into this Contract imposed by Executive Order 12969, August 8, 1995.
- (2) Contractor certifies that--
- (a) As the owner or operator of facilities that will be used in the performance of this Contract that are subject to the filing and reporting requirements described in section 313 of the Emergency Planning and Community Right-to-Know Act of 1986 (EPCRA) (42 U.S.C. 11023) and section 6607 of the Pollution Prevention Act of 1990 (PPA) (42 U.S.C. 13106), Contractor will file and continue to file for such facilities for the life of this Contract the Toxic Chemical Release Inventory Form (Form R) as described in sections 313(a) and (g) of EPCRA and section 6607 of PPA; or
- (b) None of its owned or operated facilities to be used in the performance of this Contract is subject to the Form R filing and reporting requirements because each such facility is exempt for at least one of the following reasons:
- (i) The facility does not manufacture, process or otherwise use any toxic chemicals listed under section 313(c) of EPCRA, 42 U.S.C. 11023(c);
- (ii) The facility does not have 10 or more full-time employees as specified in section 313(b)(1)(A) of EPCRA 42 U.S.C. 11023(b)(1)(A);
- (iii) The facility does not meet the reporting thresholds of toxic chemicals established under section 313(f) of EPCRA, 42 U.S.C.
- 11023(f) (including the alternate thresholds at 40 C.F.R. 372.27, provided an appropriate certification form has been filed with EPA);
- (iv) The facility does not fall within Standard Industrial Classification Code (SIC) designations 20 through 39 as set forth in FAR section 19.102 of the Federal Acquisition Regulation; or
- (v) The facility is not located within any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, the Northern Mariana Islands, or any other territory or possession over which the United States has jurisdiction.
- (4) **Certification Regarding Political Contributions, Fees, and Commissions Paid In Connection with Sales Subject to the Provisions of the Arms Export Control Act.** In compliance with 22 C.F.R. 130, neither Contractor nor its subcontractors at any tier have paid, offered or agreed to pay, or will pay or offer or agree to pay, in respect to the Work which is to be provided to SRC/SRCTec under any Contract awarded, political contributions, fees, or commissions in amounts as specified in 22 C.F.R. 130.9.